

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM COMMUNITY SAFETY BUILDING
3/30/11

ATTENDEES:

McGaffigan*	Bayer*	Jenkins*	Phelps	Corredera*
DeCoursey*	Connors*	Simmons	Gibian*	
Tosti*	Foskett*	Deyst*	Ronan*	
Ferrara*	Franclemont*	Jones*	Deshler*	
DuBois	Howard*	Fanning*	Carman	Turkall*

* Indicates present

MINUTES of 3/28 accepted as printed. Unanimous

TRANSFERS: Tosti, using a handout (Ref 1), reviewed the transfers already voted, the requested, expected and encumbered. The encumbrances would make whole the Tip Fee Stab Fund & the school budget as approved by the School Committee last fall through a transfer to a SPED Reserve. VOTED to transfer \$34,395.51 to the Treasure budget to cover Fred Fantini's buyout. Unanimous.

BUD 25 RESERVE FUND: FinanSubCom(McGaffigan) Recommended an increase to \$750k. He provided a 5 yr history showing how the fund has been used. In support of an increase members noted that the schools have been encouraged to consider the Reserve Fund for unexpected expenses. When unused the remainder would increase free cash. All budgets are tighter than before w/ less flexibility to accommodate surprises. In opposition members said that increasing this fund would be inconsistent w/ budget cutting. There are other reserves. Might reduce incentive to keep overtime & retirement payouts within budget. VOTED \$600k 10-5

ART 75 STABILIZATION FUND: VOTED no action since no money available. Unanimous.

ART 73 CEMETERY FUNDS VOTED to transfer \$150k from Perpetual Care to Cemetery Commissioners. Unanimous

ART 70 INCREASE SURVIVOR'S BENEFITS: FinanSubCom(Foskett) reviewed information he recently received from Greco. There seem to be 97 people who are in this group but he is not sure that they don't have other retirement income. Needs more work.

ART 68 OPEB The BoS voted unanimously at Tosti's request, to allow the piece of the retiree health insurance premium that had been appropriated to OPEB, about \$155k, to be used to reduce layoffs. VOTED the reduction below \$500k in the non-contrib pension, \$389,428, to OPEB. Unanimous.

ART 64 MISCELLANEOUS VOTED \$1500 for out of state travel. Unanimous

ART 62 COMMITTEES&COMMISSIONS: VOTED to comment on FinCom's understanding that up to \$3000 will be transferred to ARC as required, Unanimous Howard to draft comment.

ART 60 WATER VOTED \$700k to be borrowed from MWRA. Unanimous

ART 59 SEWERS VOTED \$1.5m to be borrowed from MWRA. Unanimous

ART 44 CONSOLIDATE HUMAN RESOURCES: VOTED to support BoS unanimous affirmative action. Unanimous

ART 45 PAY PLAN VOTED to support BoS unanimous no action. Unanimous

ART 46 FINANCIAL REPORT Will be mailed in June tax bill. If successful, will be established by bylaw next year. VOTED to support BoS unanimous no action. Unanimous

ART 47 BUDGET SUBMISSION SCHEDULE: Home rule legislation to require all departments to provide budgets to Manager by 2 Jan & Manager to provide complete budget by 15 Jan. VOTED to support BoS unanimous affirmative action. Unanimous
ART 48 BYLAW TO DETAIL BUDGET SCHEDULE: VOTED to support BoS unanimous no action. Unanimous

ART 49 ECONOMIC ADVISORY GROUP: Tosti described the opposition, including the Manager. Members stated good idea but wrong group. VOTED to support BoS unanimous no action. Unanimous

ART 50 EXTEND REORG COMMITTEE Will be extended 1 year to develop bylaws to implement home rule legislation on consolidation. VOTED to support BoS unanimous affirmative action. Unanimous

ART 51 CONSOLIDATE FINANCE DEPARTMENTS Jones walked the FinCom through a handout (Ref 3) giving the reasons why this approach would be desirable. These are mainly improved functionality, rather than short term cost saving. In the discussion that followed members noted that appointments not necessarily better than elections, financial positions are technical, elections are seldom contested so that voters are poorly informed, the present system is protected from abuse by compartmentation, the Manager would become more powerful, a change would be risky with top level retirements coming, character is more important than organization. The BoS supported this article. VOTED to support 9-7.

ART 32 GIC VOTED to report at Town Meeting

ART 31 HRAs VOTED to support BoS unanimous affirmative action. Unanimous

ART 51 Minutes of 3/2/11 VOTED to revise to include Treasurer's questions.

Unanimous

Ref 1 Reserve Fund Transfers

Ref 2 Reserve Fund History FY06-FY10

Ref 3 Argument for a Consolidated Finance Department

COMMITTEE The House budget may be available 4/13. The FinCom budget will be w/ & w/o an override. The ballot will have 2 choices; both would generate the same revenue but one w/ & one w/o PAYT.

Monday will discuss sale of schools. Think about priorities. May cancel Wed.

RESERVE FUND BALANCE- \$916,740 - \$34,395.51 = \$882,344.49 (\$398,710.26 after expected transfers)

Peter B Howard 3/31/11 Corrected 4/13/11

cc FinCom Members, Library File, Town Web Site

VOTE SUMMARY – Articles

# 2/10	#	#	Title	Date Heard	Date Voted	Status (Unlisted votes were unanimous)
21			Closing Of Warrant	2/16		Wait for BoS
22			Standing Votes	2/16		Wait for BoS
23			Snow Shoveling	2/9		
30			Civil Service Exemptions	2/9		
31			GIC	2/9	3/30	Will report
32			GIS Health Reimbursement Accounts	2/9,2/23	3/30	Support
33			Antenna Leases Renewal	2/9		
34			PAYT Program	2/14		
35			Trash Removal Enforcement	2/14		
36			Transfer of 23 Maple St	2/9		
37			Disposition of 23 Maple St	2/9		
38			Disposition of Parmenter	2/9		
39			Disposition of Crosby	2/9		
40			Crosby School Land	2/16		
41			Brick Curb Cut Policy	2/16		No report
42			Bricks Replacement Senior Ctr	2/16		Requested info
43			Reserve Fund Policy	2/14	2/14	No action
44			Consolidate Human Resource Dept	2/9,3/14	3/30	Support
45			Human Resource Dept Pay Plan	2/9	3/30	No action
46			Financial Report	3/14	3/30	No action
47			Budget Submissions	3/14	3/30	Support
48			Budget Bylaw	3/14	3/30	No action
49			Economic Advisory Group	3/14	3/30	No action
50			Extend ReOrg Committee	3/14	3/30	Support
51			Consolidation Finance Depts	3/2	3/30	Support 9-7
54			Collective Bargaining	2/9	2/9	Will report
55			Position Reklassifications	3/28	3/28	\$6898
57			Capital Budget	2/28	2/28	\$8,448,540
58			Sidewalks on MassAve	3/14	3/14	No action
59			Sewers	2/9		\$1,500,000
60			Water	2/9		\$700,000
61			Minuteman Tech	3/23	3/23	\$2,352,988
62			Committees & Commissions	2/9	2/16,3/30	\$14,760
63			Celebrations	2/9	2/16	\$10,167
64			Misc Approp-Indemnity, OOS Travel	2/9	3/2 3/30	\$9,540+\$1,500
65			Water Bodies	2/23	2/23	No action
66			Water Bodies	2/23	2/23	\$20,000
67			Pension Adjustment	2/7 3/28	3/28	Approve
68			OPEB	2/7 3/30	3/30	\$389,428
69			Increase COLA Base	2/7 3/28	3/28	No action 16-1
70			Increase Survivors Benefits	2/7 3/30		
71			Local Option Taxes	3/14	3/14	No action
72			Tip Fee Stab Fund	3/14	3/14	\$450,000
73			Transfer of Cemetery Funds	3/30	3/30	\$150,000
74			Overlay Reserve	3/14	3/14	\$200,000
75			Stabilization Fund	3/14	3/30	No action
76			Free Cash	3/14	3/14	\$385,249
STM2			Amendments to FY11 budget	3/21		Jones
STM3			AHS Repair	3/16,21		Chapdelaine
STM4			Stratton School Capital Budget			Turkall
STM5			Thompson School Capital Budget			Turkall
STM6			Unpaid bills from previous years	3/16		Ronan
STM7			Mass Ave Sidewalks			

VOTE SUMMARY-Budgets

#	Title	Date Heard	Date Voted	Amount	Vote Unlisted votes were unanimous
1	FinCom	2/16	2/16	10618	
2	Board of Selectmen	3/14	3/14	341378	
3	Town Manager	2/23	2/23	399995	
4	Personnel	3/28	3/28	167872	
5	Information Technology				
6	Comptroller	2/23	2/23	388576	
7	Treasurer	3/9,21	3/21	558985	
8	Postage	3/21	3/21	156848	
9	Assessors	2/28	2/28	295315	
10	Legal	2/23	2/23	409219	
11	Town Clerk	3/9			
12	Registrar of Voters	3/21	3/21	57863	
13	Parking	3/21	3/21	106460	
14	Planning	2/28	3/2	222421	
15	Redevelopment Board	3/23	3/23	270539	
16	Zoning Board of Appeals	3/2	3/2	18084	
17	Public Works	3/23	3/23	7048305	Cemetery 11-2 Sanitation tabled
18a	Community Safety Admin	3/9	3/9	389059	
18b	Police	3/9	3/9	5485412	
18c	Fire	3/2	3/2	5282657	
18d	Support	3/9	3/9	718214	
19	Inspections	3/28	3/28	367242	
20	Education	3/16	3/21	38516006	
21	Library	2/16	2/16	1804517	
22a	Health & Human Services	3/9	3/28	259329	
22b	Veterans	3/9	3/28	326585	
22c	COA	3/9	3/28	160280	
23	Retirement	3/21	3/21	7329440	
24	Insurance	3/2,3/9	3/9	19986646	
25	Reserve Fund	3/30	3/30	600000	10-5
W&S EF	Rev 17579732 Exp 17579732	3/28	3/28		16-1
Rec EF	Rev 542500 Exp 528351	3/28	3/28		
Rnk EF	Rev 543800 Exp 538736	3/28	3/28		
COA EF	Rev 98050 Exp 96418.	3/9	3/28		
Youth EF	Rev 437566 Exp 434923	3/9,3/28	3/28	89066	

RESERVE FUND FISCAL YEAR 2011 TRANSFERS

		Elections	Buyouts	Fields	Fire	Legal	Veterans	Other	
FY06	1/25/05	35000							
	2/22/06	248390.66							Treasurer
	2/22/06	188590.66						-60000 Workers Comp	
	2/22/06	163590.66						-25000 Legal Expense	
	4/12/06	138590.66						-25000 Workers Comp	
	4/26/06	78590.66						-60000 Workers Comp	
	5/3/06	77870.66						-720 Clerk (FinCom error)	
	5/3/06	62870.66						Year End Request:	
	5/3/06	13870.66						-49000 Year End Request:	
	5/3/06	2870.66						Year End Request:	
FY07	3/14/07	35000							
	6/4/06	22000							-11000
	6/4/06	19900							
	6/4/06	189000							-21000
	6/4/06	186350							
	6/4/06	51350							
	6/4/06	23350							
	6/4/06	350							
FY08		400000							
	1/1/14/07	325700							-130000 Workers Comp
	1/1/14/07	321623.55							Year End Request: Police
	1/1/14/07	296706.28							-10000 Year End Request: Support Services
	1/1/14/07	276706.28							-2650 Year End Request: Community Safety Admin
	3/10/08	274943.28							Year End Request:
	5/28/08	279860.83							Year End Request: Legal
	6/2/08	29860.83							
	6/2/08	0							
FY09		450000							
	2/2/09	425000							
	2/2/09	287000							
	4/6/09	207000							
	4/13/09	199800							
	5/27/09	198750							
	6/8/09	183750							
	6/8/09	333750							
	6/10/09	0							
FY10		600000							
	2/3/10	597391.05							
	2/3/10	539887.05							
	2/3/10	508915.92							
	6/14/10	375549.92							
	6/14/10	0							
		-140252.4							
		-329755.72							
		-20000							
		65000							
		-138000							
		-80000							
		-806991.88							

-25000 fire truck
 -138000 police arbitration
 -80000 -7200 200th Anniversary Committee
 -1050 ZBA extra hearings
 Deputy Town Manager
 End of year request
 -333750 Deferred Salaries
 Clerk
 Selectmen
 -30971.13 Treasurer budget error
 -28610 End of year request
 -375549.92 Snow & Ice

VOTED: That Town Meeting hereby indicates its support for a consolidated Town-School Finance Department and requests the Town Manager to research the implementation of such a department, including gathering input from the Board of Selectmen, School Committee, Superintendent, Finance Committee*, and other appointed and elected officials with responsibilities related to financial management, and present the 2012 Town Meeting with one or more warrant articles to implement such a department.

** The "Finance Committee" was not included in the motion approved unanimously by the Board of Selectmen.*

Benefits of a single financial management department

- Efficiency – better internal communication, larger “customer” base, sharing of tools and training.
- Eliminates fragmentation – consistency in budgets, reports, schedules.
- Improved communication - reduces “surprises”.
- Agility – larger consolidated staff allows for cross-training, filling in the cracks.
- Adaptability – fragmented functions and authority presents barriers to adoption of new technologies, best practices. Too many “deciders”.
- Succession – larger talent pool, regular succession plan for promotions and retirements.
- Planning – saved effort can be invested in long-term planning, trend analysis and projections, political awareness, etc.
- KISS – simpler management and reporting structure.

Benefits of an appointed rather than elected

- Qualification – candidates go through usual extensive interview and consolidation process rather than a “popularity contest”.
- Broader field of applicants – would not be limited to residents, could preserve privacy (not a public process).
- Accountability – subject to regular performance goal-setting and reviews.
- Teamwork – less independence encourages better cooperation.

Benefits of Town-School consolidation

- Objectivity – balanced approach to town & school funding, better visibility of impact of decisions.
- Balanced resources – better able to share the load.
- Visibility – consistent unified reporting, level of detail, trust & accountability.
- Allows educators to focus on education.
- No policy-making authority, outside of the department – that remains with Selectmen, School Committee & Town Meeting.

Question – if we currently had a single financial management department led by a CFO appointed by the CEO, would you propose to split it up and create elected positions?